



Fiscal Year 2004 Proposed Budget State Budget Impact & Recommended Solutions

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Updated Impact of State's FY 04 Budget on the City

- **\$9.2 million Citywide Losses**
 - ✓ \$7.7 million General Fund
 - ✓ \$1.5 million Redevelopment (reduced from \$2.8 million)
 - ✓ Effect of Sales for Property Tax swap unknown
- **\$2 million already excluded from FY 04 Budget**
 - ✓ Police Overtime Reduction (\$940,000)
 - ✓ Public Works Local Street maintenance reduction (\$1 million)
- **\$5.7 million General Fund loss:**
 - ✓ \$5.5 million one-time VLF backfill
 - ✓ \$213,000 on-going Library funding



Recommendations to Address State Budget Impacts

■ Recommended Budget Changes:

✓ Further FY 03 Purchasing/Spending Curtailment	\$1.8 million
✓ Repayment of RDA Promissory Note	\$1.5 million
✓ Accelerated Airport Loan Repayment	\$0.5 million
✓ Defer Fleet Facility Capital Projects	\$0.1 million
✓ Additional FY 04 Revenue (Property Tax & Interest)	\$2.0 million
✓ Accelerate FY 05 and FY 06 Reductions	<u>\$0.6 million</u>
Recommended Changes	\$6.5 million

■ Provides for:

✓ Address State Budget Impacts	\$5.7 million
✓ Establish Operating Reserve	\$0.2 million
✓ Increase Emergency Reserve to Full 10%	\$0.6 million



Accelerate FY 05 & FY 06 Plan Reductions

■ Accelerate Reductions

✓ Reorganize/Renegotiate Meter Reading Contract	\$350,000
✓ Police Administration Staff Reduction	\$93,000
✓ Accelerate Contracting of El Dorado Grounds Maintenance	\$80,000
✓ Accelerate Contracting of Street Median Landscaping Services	\$72,000
✓ Lobby Cashiering Staff Optimization	<u>\$49,000</u>
Total Reductions	\$644,000